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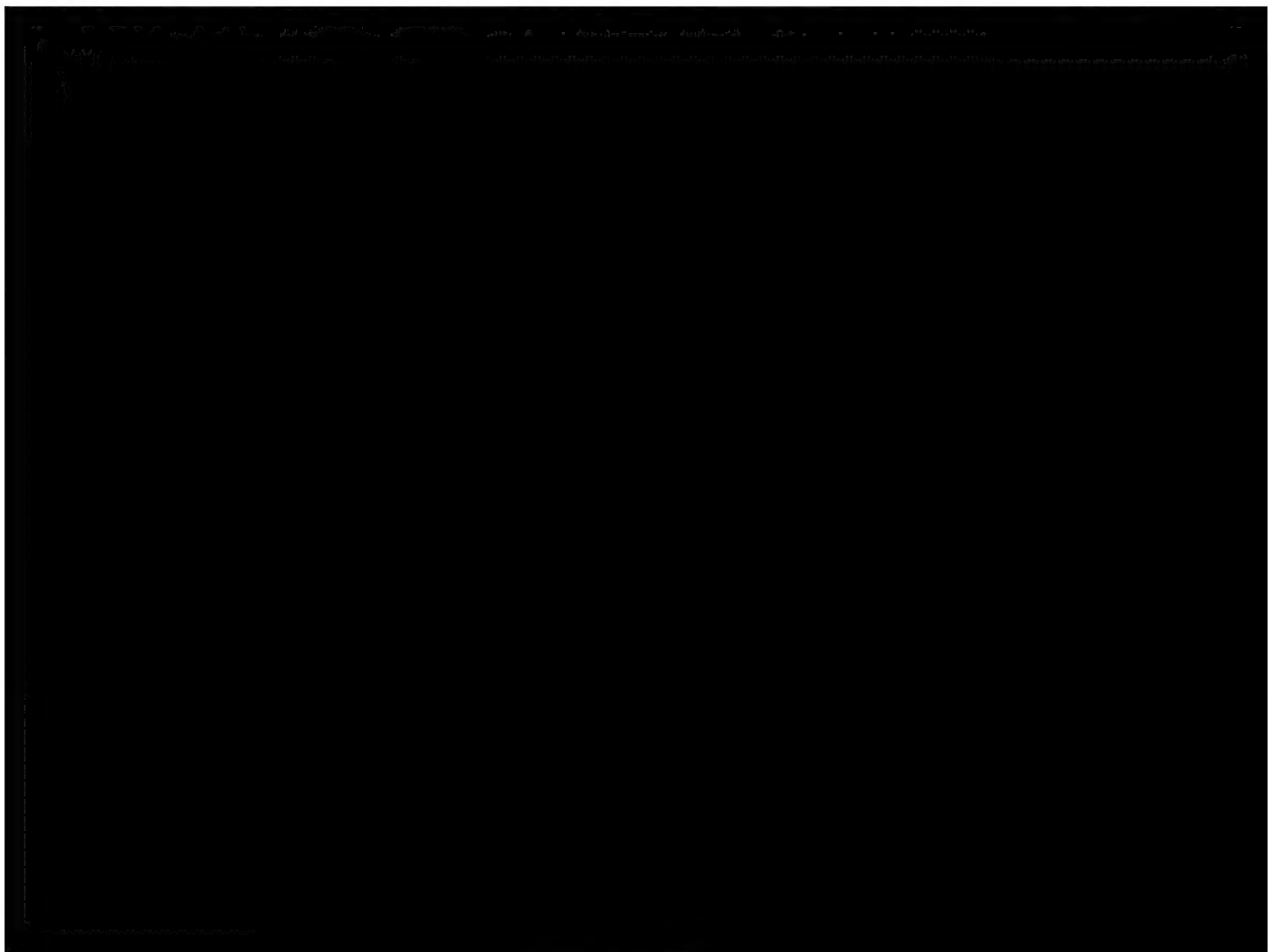
COMMITTEE ON REQUIREMENTS OF THE ECONOMIC INTELLIGENCE COMMITTEE

ANNUAL PROGRESS REPORT

AUGUST 1962

1. During the year ending 30 June 1962, the Subcommittee on Requirements of the Economic Intelligence Committee held no meetings but activities and portions of two of its functions were carried out as follows:

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Excluded from automatic down-
grading and declassification

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Approved For Release 2001/03/05 : CIA-RDP82-00283R000200040007-5

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b. Economic Reporting Guidance Program

(1) The Office of Research and Reports, CIA, on behalf of the RIG, continued its program of economic guidance to Foreign Service Officers assigned to Bloc posts. However, certain developments during the reporting period changed the form and method of preparing guidance for these posts. During this period, the Current Economic Reporting Program (CERP) of the Department of State, which formally covered only non-Bloc countries, was broadened, after consultation with ORR, to include Bloc countries. As a result of this step, CERP Country Handbooks containing economic reporting requirements were prepared for all Bloc posts and disseminated for action by those posts. This broadening of CERP thus effectively superseded the Economic Reporting Guidance Program.

(2) Under this new arrangement, ORR will give support and guidance similar in scope to that provided under the ERGP. For example, ORR provided detailed substantive support to the Department of State in the preparation of the CERP Country Handbooks which were prepared for the Bloc posts. In addition, because of the important role of Albania in the present Sino-Soviet ideological dispute, special economic reporting guidance was prepared in an attempt to obtain current economic reporting on Albania's position vis-a-vis both the Soviet Union and Communist China.

(3) Working within the new CERP arrangement, the Office of Research and Reports will continue as in the past to provide:

- (a) briefing and debriefing of Foreign Service Officers departing for Bloc assignments or recently returning from such assignments;
- (b) Bloc and peripheral posts copies of economic intelligence reports and guidance statements reflecting economic intelligence needs; and,

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- (c) requirements on economic developments in Bloc countries tailored specifically for economic reporting officers for reporting through personal observations, contacts and conversations or for on-the-spot analysis of significant events.

2. In its annual report of last year, the Subcommittee on Requirements stated that it planned in the new fiscal year to consider the possibility of recommending the dissolution of the Committee. For various reasons, consideration of this question has been postponed until the present.

3. Over the several years of its existence, the Subcommittee on Requirements has made substantial contributions to the general field of collection guidance and has had an important impact on specific programs concerned with the coordination and collection of economic intelligence information. The 25X1X4 [redacted] Current Economic Reporting Program of the Department of State, Economic Reporting Guidance Program, Peripheral Reporting Program of the Department of State, and programs concerned with the availability and usability of foreign language materials are major examples of activities with which the Subcommittee has been concerned.

4. In recent years, the Subcommittee has been relatively inactive. This is due mainly to the fact that operational coordinating mechanisms, many of which were instituted by or concurred in by the Subcommittee, have been developed and improved in the Washington intelligence community. In addition, frequent bilateral contact of Washington intelligence components has served as an effective mechanism for solving minor problems. Thus, many of the programs designed to remedy past problems are now operating efficiently but independent of the Subcommittee on Requirements and the EIC. One collection guidance program, [redacted] remains as a specific responsibility of the Subcommittee on Requirements. 25X1X4 [redacted]

5. In spite of its relative inactivity during these years, the Subcommittee has continued in existence, specifically for the purpose of having available a ready forum, if needed, for discussion and coordination of inter-agency economic intelligence collection interests and problems. There has been very limited demand for use of this forum.

6. In view of the above, the Subcommittee on Requirements of the Economic Intelligence Committee recommends:

- a. that the Subcommittee on Requirements be abolished; and,
- b. that the present Standing Group on the [redacted] 25X1X4 Program become a Working Group of the EIC (and renamed the Working Group on the [redacted] with direct responsibility to the Economic Intelligence Committee for its activities.

25X1X4 [redacted]